

109TH CONGRESS
1ST SESSION

H. R. 134

To prevent abuse of the special allowance subsidies under the Federal Family
Education Loan Program.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 4, 2005

Mr. KILDEE (for himself, Mr. VAN HOLLEN, and Mr. GEORGE MILLER of
California) introduced the following bill; which was referred to the Com-
mittee on Education and the Workforce

A BILL

To prevent abuse of the special allowance subsidies under
the Federal Family Education Loan Program.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Emergency Loan
5 Abuse Prevention Act of 2005”.

6 **SEC. 2. TERMINATION OF EXCESSIVE ALLOWANCES.**

7 Section 438(b)(2)(B) of the Higher Education Act of
8 1965 (20 U.S.C. 1087–1(b)(2)(B)) is amended by striking
9 clause (v) and inserting the following:

1 “(v) This subparagraph shall not
2 apply to—

3 “(I) any loan made or purchased
4 after the date of enactment of the
5 Emergency Loan Abuse Prevention
6 Act of 2004;

7 “(II) any loan that had not quali-
8 fied before such date of enactment for
9 receipt of a special allowance payment
10 determined under this subparagraph;
11 or

12 “(III) any loan made or pur-
13 chased before such date of enactment
14 with funds described in the first or
15 second sentence of clause (i) if—

16 “(aa) the obligation de-
17 scribed in the first such sentence
18 has, after such date of enact-
19 ment, matured, or been retired or
20 defeased; or

21 “(bb) the maturity date or
22 the date of retirement of the obli-
23 gation described in the first such
24 sentence has, after such date of
25 enactment, been extended.”.

1 **SEC. 3. EXPENDITURE OF SAVINGS ON INCREASED PELL**
2 **GRANTS.**

3 From any amounts in the Treasury not otherwise ap-
4 propriated, there is appropriated for each of the fiscal
5 years beginning after the date of enactment of this Act
6 an additional amount for the purposes of increasing the
7 maximum Pell grant in each Act providing annual appro-
8 priations for the Pell grant program under subpart 1 of
9 part A of title IV of the Higher Education Act of 1965
10 (20 U.S.C. 1070a) that is equal to the amount that is
11 determined annually by the Congressional Budget Office
12 to be the amount by which expenditures under section 438
13 of such Act (20 U.S.C. 1087–1) are reduced for such fiscal
14 year by the enactment of section 2 of this Act.

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